



ORIGINAL

OPEN MEETING AGENDA ITEM  
DEPARTMENT OF THE ARMY  
UNITED STATES ARMY LEGAL SERVICES AGENCY  
9275 GUNSTON ROAD  
FORT BELVOIR, VIRGINIA 22060-5546



0000141900

REPLY TO  
ATTENTION OF  
Regulatory Law Office

January 29, 2013

Subject: In The Matter Of The Tucson Electric Power Company Application For Approval Of Its 2013 Renewable Energy Standard Tariff Implementation Plan.  
Arizona Corporation Commission Docket No. E-01933A-12-0296.

**VIA FEDERAL EXPRESS**

Chairman Pierce and Commissioners  
ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
Phoenix, Arizona 85007-2927

Dear Commissioners:

Please accept this correspondence as undersigned counsel's notification of addition of counsel on behalf of the United States Department of Defense and all other Federal Executive Agencies ("DoD/FEA") in the above referenced matter, and my request to be served with any and all future filings in this matter.

It is my understanding that Arizona Corporation Commission Staff ("Staff") has requested that a separate hearing be held litigate the "Track and Record" proposal in this matter regarding renewable energy credits. We believe separation of this issue from the instant matter is appropriate, and request to have all filings and correspondence related to any separate hearing provided to me.

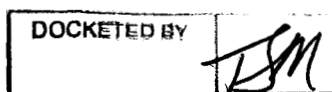
As has been stated by other DoD/FEA entities in comment letters filed recently with the Arizona Corporation Commission, the implementation of the "Track and Record" proposal will significantly negatively impact DoD/FEA and its efforts to implement its own strong renewable energy policies. See Department of Defense, Regional Environmental Coordinator, January 17, 2013 and Department of Veterans Affairs, Office of Asset Enterprise Management, November 26, 2012 Comment Letters attached hereto. A separate hearing should be held to allow sufficient focus on the issues involved and allow the creation of a proper record, so that a reasonable, fair, and equitable result to all interested parties is achieved.

Thank you in advance for your attention to these important issues. Please call if there are any problems with this request or if any further action is needed. I can be reached at (703) 693-1274 or by E-mail at [kyle.j.smith124.civ@mail.mil](mailto:kyle.j.smith124.civ@mail.mil).

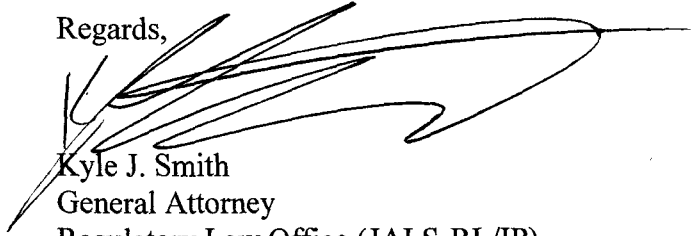
Arizona Corporation Commission

**DOCKETED**

JAN 30 2013



Regards,

A handwritten signature in black ink, appearing to read 'Kyle J. Smith', with a large, sweeping flourish extending to the right.

Kyle J. Smith  
General Attorney  
Regulatory Law Office (JALS-RL/IP)  
Office of the Judge Advocate General  
U. S. Army Legal Services Agency  
9275 Gunston Road  
Fort Belvoir, VA 22060-5546

Enclosure

Cc: See Service List  
Cynthia J. Cordova  
C.L. Stathos

ORIGINAL



OPEN MEETING AGENDA ITI

DEPARTMENT OF DEFENSE  
REGIONAL ENVIRONMENTAL COORDINATOR  
937 N. Harbor Drive, Box 81  
San Diego, California 92132-0058

AZ CORP  
DOCKET CO

5090  
Ser N4JRR.cs/003  
January 17, 2013

2013 JAN 22 AM 11:18

Chairman Pierce and Commissioners  
State of Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, AZ 85007

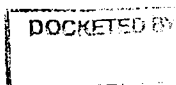
Subject: COMMENT LETTER - MATTER OF THE TUCSON ELECTRIC POWER  
COMPANY APPLICATION FOR APPROVAL OF ITS 2013 RENEWABLE  
ENERGY STANDARD TARIFF IMPLEMENTATION PLAN (DOCKET No.  
E-01933A-12-0296)

On behalf of the Department of Defense (DoD) Regional  
Environmental Coordinator for EPA Region 9, and the Military  
Services in Arizona, I respectfully submit these comments on  
Tucson Electric Power's (TEP) application for approval of its  
2013 Renewable Energy Standard Tariff (REST) Implementation Plan.

Energy security is critical to our national security.  
Renewable energy, when combined with smart micro-grid and  
storage technologies, can significantly enhance the energy  
security and reduce the energy costs at DoD installations. In  
addition, DoD has numerous Congressional and Executive mandates  
and goals for producing or procuring renewable energy (EPAct  
2005, National Defense Authorization Act (NDAA) of 2007, and EO  
13423). DoD in Arizona has developed or is in the process of  
developing renewable energy projects on their installations and  
in some cases considering utility scale size projects (>10MW).  
The ability to count the renewable energy credits (RECs) towards  
compliance with these mandates and goals, is an important  
element of these utility scale renewable energy projects. Also,  
RECs play a significant role in the financial viability of the  
project and the ability to attract private developers and  
project funding.

The DoD respectfully requests that the Arizona Corporation  
Commission (ACC) reject the ACC Utility Division staff's  
recommendation to approve the "Track and Record" proposal that  
was requested by Arizona Public Service (APS) in its Renewable  
Energy Standard (RES) Implementation Plan (Docket No. E-01345A-  
12-0290) and recommended for inclusion in Tucson Electric  
Power Corporation's Renewable Energy Standard and Tariff (REST) (Docket  
No. E-01933A-12-0296). The "Track and Record" proposal allows

JAN 22 2013




Subject: COMMENT LETTER - MATTER OF THE TUCSON ELECTRIC POWER  
COMPANY APPLICATION FOR APPROVAL OF ITS 2013 RENEWABLE  
ENERGY STANDARD TARIFF IMPLEMENTATION PLAN (DOCKET No.  
E-01933A-12-0296)

TEP to count towards their distributed energy (DE) requirements,  
any new DE installation interconnected within its service  
territory, **independent of REC ownership** (emphasis added).  
Allowing TEP to meet its RPS distributed energy requirements  
using "Track and Record" may be considered as double counting of  
RECs.

The Department of Energy's (DoE) "Renewable Energy  
Requirement Guidance for EPC Act 2005 and Executive Order 13423"  
precludes a federal agency from using double counted RECs toward  
compliance with EPC Act 2005 and EO13423 requirements. The double  
counting definition includes the situation where the renewable  
energy counted toward the agency's goal is also used to meet a  
renewable portfolio standard or other federal, state, or local  
regulatory requirement. (See DoE Guidance p.7)

Senior DoD leadership is committed to a future where its  
use of energy is more sustainable, secure, and affordable. A  
key component of DoD's energy program is the increased use of  
renewable energy. Arizona plays a significant role in DoD  
meeting its federal mandates and achieving energy security.  
TEP's proposed "Track and Record" may negatively impact the  
DoD's ability to achieve energy security and meet renewable  
energy mandates and goals in Arizona.

The DoD requests that you consider these comments in your review  
of TEP's application for 2013 REST. My point of contact for  
this issue is Mr. Park Haney, at [park.haney@us.army.mil](mailto:park.haney@us.army.mil) or  
303-844-0957.

Sincerely,  
  
C. L. STATHOS  
By direction

ORIGINAL



OPEN MEETING AGENDA ITEM

Department of Veterans Affairs  
Office of Asset Enterprise Management  
810 Vermont Ave., N.W.  
Washington, D.C. 20420

RECEIVED

2012 NOV 21 P 2:55

Certified Mail-Return Receipt Requested

November 26, 2012  
CORP COMMISSION  
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

NOV 27 2012

State of Arizona Corporation Commission  
1200 West Washington Street  
Room 108  
Phoenix, Arizona 85007

DOCKETED BY

ISM

**RE: Docket No. E-01933A-12-0296, Matter Of The Tucson Electric Power Company Application For Approval Of Its 2013 Renewable Energy Standard Tariff Implementation Plan**

Dear Chairman Pierce and Commissioners:

The U.S. Department of Veterans Affairs (VA) respectfully requests that the Arizona Corporation Commission (ACC) deny and consider alternatives to the Tucson Electric Power (TEP) "Track and Record" solution set out in their October 18, 2012 Utilities Staff Comments supplementing TEP's July 3, 2012 Application For Approval of its 2013 Renewable Energy Standard and Tariff Implementation Plan ("the Plan").

As the Plan stands, it would interfere with VA's ability to sell or claim solar generation from VA's facilities in Tucson and other portions of TEP's service area in Arizona. From VA's perspective, this Plan would threaten the viability of the Renewable Energy Certificate (REC) system and would set a dangerous precedent if approved. VA's current renewable energy investments in Arizona would be devalued, and the policy would deter future VA renewable energy investments in the State of Arizona.

VA has made significant investments in VA solar projects in Arizona to meet Federal renewable energy requirements and standards, as set forth in legislation and Presidential executive orders. Under Executive Order 13423, Federal facilities are required to own renewable energy attributes to meet renewable energy and greenhouse gas goals. With the "Track and Record" proposal, TEP would have the ability to count any of VA's generated RECs towards TEP's own renewable energy generation requirements. However, pursuant to the Department of Energy's *Renewable Energy Requirement*

*Guidance for EPACT 2005 and Executive Order 13423*, VA cannot retain credit for the RECs generated by VA facilities if they are counted towards another entity's renewable energy requirements. Therefore the duplicate accounting of these RECs contemplated by TEP's "Track and Record" solution would preempt VA's ability to utilize the credits for meeting Federal mandates, allowing TEP to effectively deprive VA of VA's legitimately created RECs.

VA's solar projects and other energy projects are essential to meet Federal renewable energy policy mandates while furthering the VA mission of caring for Veterans, and saving taxpayer dollars that can be used in other aspects of VA operations. If TEP is allowed to record the REC credits from VA projects, it will effectively deny VA the ability to count these credits towards VA's own renewable energy goals.

In lieu of the current "Track and Record" proposal, VA suggests that TEP purchase the RECs needed to comply with its requirements at auction on the open market. This would ensure appropriate compensation to the current REC owner and uphold the viability of the REC system, while appropriately incentivizing further investment in renewable energy generation in the utility's service territory.

VA requests that the ACC deny approval of the "Track and Record" solution, and instead consider other options.

Thank you for your consideration of VA's request.

Sincerely,



Cynthia J. Cordova  
Director, Green Management Program  
U.S. Department of Veterans Affairs  
810 Vermont Ave., NW  
Washington, DC 20420  
[cynthia.cordova@va.gov](mailto:cynthia.cordova@va.gov)

cc:

Director  
Phoenix VA Health Care System  
650 E. Indian School Road  
Phoenix, AZ 85012

Page 3

Director  
Northern Arizona VA Health Care System  
500 North Highway 89  
Prescott, AZ 86313

Director  
Southern Arizona VA Health Care System  
3601 South 6<sup>th</sup> Avenue  
Tucson, AZ 85723

**SERVICE LIST**

The original and thirteen (13) copies  
of the foregoing is being transmitted  
Federal Express overnight delivery  
this 29<sup>th</sup> day of January 2013 to be  
received and filed on the 30<sup>th</sup> day  
of January 2013 with:

Docket Control Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

A copy of same is being served by  
e-mail or first class mail this same  
date to:

Janice Alward, Chief Counsel  
Legal Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007  
[jalward@azcc.gov](mailto:jalward@azcc.gov)

Steven M. Olea, Director  
Utilities Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007  
[solea@azcc.gov](mailto:solea@azcc.gov)

Bradley S. Carroll  
Tucson Electric Power Company  
88 E. Broadway Blvd., MS HQE910  
P.O. Box 711  
Tucson, Arizona 85702  
Attorney for Tucson Electric Power  
[bcarroll@tep.com](mailto:bcarroll@tep.com)

Kevin C. Higgins, Principal  
Energy Strategies, LLC  
215 South State Street  
Suite 200  
Salt Lake City, Utah 84111  
Consultant to Freeport-McMorrان



1 and AECC

2 KHiggins@Energystrat.com

3 C. Webb Crockett

4 Patrick J. Black

5 FENNEMORE CRAIG, P.C.

6 3003 North Central Avenue

7 Suite 2600

8 Phoenix, Arizona 850 12-29 13

9 Attorneys for Freeport-McMoRan

10 and AECC

11 wcrockett@fclaw.com

12 pblack@fclaw.com

13 Court S. Rich

14 ROSE LAW GROUP, PC

15 6613 N. Scottsdale Road, Suite 200

16 Scottsdale, AZ 85250

17 Attorney for Solar Energy Industries

18 Association (SEIA)

19 crich@roselawaroup.com

20 Michael L. Neary

21 Executive Director

22 Arizona Solar Energy Industries Association

23 (AriSEIA)

24 111 W. Renee Dr.

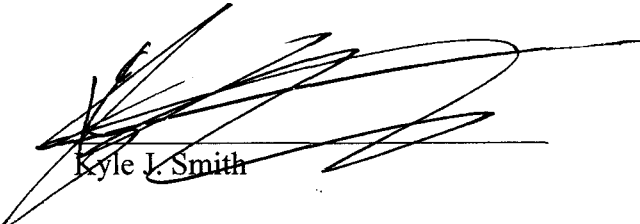
25 Phoenix, AZ 85027

26 mneary@arizonasolarindustry.org

27 Kevin Koch

28 P.O. Box 42103

29 Tucson, AZ 85733

30  
31   
32  
33  
34  
35  
36  
Kyle J. Smith